



Testimony for the Subcommittee on Commerce, Manufacturing and Trade

“Vacation Nation: How Tourism Benefits Our Economy”

Good Morning. My name is Gina Speckman and I am the Executive Director of Chicago's North Shore Convention and Visitors Bureau. Thank you for allowing me to testify about the importance of tourism to our economy. I have worked in the travel and tourism industry for over 25 years and have had the opportunity to see the benefits of the convention industry during my tenure at the Chicago Convention and Tourism Bureau and the impact on smaller communities in my current position representing the cities just north of Chicago.

The Great Recession inflicted damage on almost every sector of the American economy, including travel. Travel, however, has bounced back from the downturn far more quickly than almost any other industry. In the cities I represent, the local hotel tax that is paid for by visitors is a trusted revenue stream made even more attractive as it is not paid for my local residents! Even during the economic downturn when drastic cuts were made to the budgets of the municipalities I represent, the dollars invested in the convention and visitors bureau remained intact. Why? Because the investment in tourism promotion has a proven track record of performance and in tough economic times the incremental revenue brought in by visitors is more important than ever.

Dollars derived from tourism is also an important mechanism for funding economic development initiatives. In the City of Evanston, for example, the hotel tax fund the Economic Development Department and all of the initiatives they undertake to bring technology, retail, and

manufacturing businesses to the city. Thus, not only does the tourism industry benefit the businesses themselves that count and can only thrive with visitor dollars, but the taxes derived by increased visitation is the backbone of the entire city's economic development plans.

Of all of the revenue sources that flow in to the state of Illinois, the hotel tax revenue is growing faster than all other state taxes- higher than liquor, sales, cigarette, motor fuel, gaming or income taxes. (See Addendum). In 2012, the hotel tax in Illinois increased 23.42% over the prior year. The travel and tourism industry has rebounded back to the levels we were at before the recession. How many other industries can boast this?

And of course one of the main metrics of economic health is jobs. On Chicago's North Shore, 1 out of every 10 jobs is related to hospitality and tourism. When the recession ended, hotels and restaurants immediately brought on new employees to meet the demand. Though many front line jobs in our industry are entry-level, many are not and our industry is very proud of the fact that we nurture, develop and promote talent. Show me a General Manager of a major hotel and I'll promise you he or she started as a bell man or at the Front Desk during college! Our jobs cannot be outsourced and we immediately have the infrastructure to hire staff quickly.

In 2010, The Travel Promotion Act was signed into law which resulted in the creation of Brand USA allowing our country to have a national advertising presence in the international marketplace. Prior to its establishment, The US had no cohesive national presence and other country's benefited from our absence by taking our visitors! In a short time, Brand USA has established advertising programs that have allowed states, convention bureaus and private tourism companies the ability to co-market our product and be a part of this big effort. For my area, it allows me to finally market internationally in a way that was not available to me previously or was completely cost prohibitive. Partnering with Brand USA and the State of Illinois, I will now have videos and online marketing materials in different languages backed by

the advertising force afforded Brand USA. My constituents are thrilled and we finally feel that the tide has turned in fighting for the international visitor dollars.

Now that Brand USA has an established focus to position the U.S. as a premier destination for international visitors, we need to continue the momentum of increasing the amount of visitors coming to our country. Passage of the JOLT Act (H.R. 1354) would allow travelers from countries closely tied to the U.S. (Poland, Israel, Chile and Brazil) to be part of the Visa Waiver Program, expand the successful Global Entry Program, and reduce visa wait times. I encourage you to include provisions of the JOLT Act in any comprehensive immigration reform package and encourage members of the House to co-sponsor H.R. 1354. Also the Travel Promotion Act which created Brand USA is up for reauthorization in FY 2015, it is important that we maintain a national tourism sales effort on a national level as it works and all of us at the local level are depending on it.

Thank you for allowing me to testify.

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Addendum

Growth of Taxes – State of Illinois

